

IDAPA 20.02.14

Selling Forest Products on State-Owned Endowment Lands

Docket Number: 20.0214.1601

Members of the public participated in the Department's Proposed Rulemaking process by attending the hearings and submitting written comments.

Key Information considered by the Department included applicable statute and information provided by the public and the Department's legal counsel during the Negotiated Rulemaking Process and the Proposed Rulemaking Process. In addition, the Department solicited information from pole companies, other industry representatives and other states.

The rulemaking record, which includes rule drafts, written public comments and documents distributed during the negotiated rulemaking process, is available at https://www.idl.idaho.gov/rulemaking/index.html.

At the conclusion of the proposed rulemaking process, the Department formatted the final rule draft for publication as a proposed rule in the Idaho Administrative Bulletin. The Proposed Rule will be published in the Idaho Administrative Bulletin, January 2017 – Volume 17-1. Below are changes resulting from Negotiated and Proposed Rulemaking that were unanimously approved by the Land Board at the November 15th meeting. Some capitalization issues will also be address but are not highlighted in this document.

Current Rule Verbiage	Proposed Rule Verbiage
010.03. Cedar. Western Red Cedar (Thuja plicata).	010.03. Cedar. Western Red Cedar (Thuja plicata).
(5-8-09)	(5-8-09)
010.04. Cedar Pole. A segment or portion of a western	010.14. Pole. A segment or portion of a tree that can
red cedar tree that can be manufactured into a utility pole	be manufactured into a utility pole meeting current
meeting current ANSI Specifications. (5-8-09)	ANSI Specifications. (5 8 09)
010.12. Length. The length of a pole in five (5) foot	010.12. Length. The length of a pole in five (5) foot
increments. (5-8-09)	increments. (5 8 09)
011.01. ANSI. American National Standards Institute.	011.01. ANSI. American National Standards Institute.
(5-8-09)	(5 8 09)
020. DIRECT SALES.	020. DIRECT SALES.
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authorized by the Director if the net appraised value does not exceed the maximum value established by the Board. This type of sale is to be used to harvest isolated or bypassed parcels of timber of insufficient value and volume to justify a salvage sale (refer to Rule Section 021). The direct sale shall not be used when two (2) or more potential purchasers may be interested in bidding on the forest products offered for sale. The initial duration of a direct sale shall be six (6) months with a provision for one six (6) month extension. The purchaser shall furnish an

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acceptable performance bond in the amount of thirty percent (30%) of the sale value with a minimum bond of one hundred dollars (\$100). Advance payment will be required and all sales will be on a lump sum basis. (3-4-11)

extension. The Purchaser shall furnish an acceptable performance bond in the amount of thirty percent (30%) of the sale value with a minimum bond of one hundred dollars (\$100). Advance payment will be required and all sales will be on a lump sum basis. (3-4-11)

021. SALVAGE SALES.

Salvage sales shall not exceed the net appraised value and volume established by the Board and are intended to be used in the harvesting of timber which, in the opinion of the Director, is of insufficient quality and/or quantity to support a timber sale (refer to Rule Section 022). The contract requirements for salvage sales shall be the same as for timber sales. (5-8-09)

022. TIMBER SALES.

Timber sales exceed the net appraised value or volume for salvage sales established by the Board. (5-8-09)

024. SALE OF CEDAR POLES.

- **O1.** Requirements for Cedar Poles. If a proposed sale area contains at least one hundred fifty (150) cedar poles in a density of at least five (5) poles per acre on ground based yarding areas and at least ten (10) poles per acre on cable yarding areas, the pole quality cedar shall be reserved and sold separately as a pole sale or as a separate product sort in a delivered products sale. Pole quality cedar in areas with a lower density of poles may be offered as poles.(3-4-11)
- **O2.** Maximum Amount of Sawlogs. Sawlogs and other forest products shall not exceed fifty percent (50%) of the total sale volume, excluding materials generated through the construction of roads and development sites.(5-8-09)
- **Poles within Sawlog Sale**. If any area within a proposed timber sale contains two hundred fifty (250) cedar poles or more in a density of at least ten (10) poles per acre, the poles shall be reserved for a pole-quality cedar sale or sold as a separate product sort in a delivered products sale.(3-4-11)
- **04. Length Appraisal.** Cedar poles shall be appraised by length and bid on a lineal foot basis. The conversion table set out below shall be used to establish the corresponding board foot volume.(5-8-09)
- 05. Length to Volume Conversion Table for Western Red Cedar Poles:

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Pole Length	Board Feet Each*	Pole Length	Board Feet Each*	
30'	50	80'	595	
35'	70	85'	736	
40'	101	90'	792	
45'	161	95'	892	
50'	239	100'	929	
55'	261	105'	1113	
60'	304	110'	1132	
65'	418	115'	1420	
70'	462	120'	1475	
75'	512			
* Based on Scribner Decimal "C" board foot				

(5-8-09)

06. Bidding Limited to Cedar. When cedar represents eighty percent (80%) or more of the total appraised value, bidding shall be limited to cedar poles and cedar sawlogs only.(5-8-09)

May opt to remove cedar as poles, sawlogs, and products or as sawlogs and products. Such choice shall be made at the completion of the auction. If the purchaser opts to manufacture the cedar as poles, the poles and sawlog material shall be removed at bid prices (lineal foot basis for poles and MBF basis for sawlogs). Pole-quality cedar trees containing thirty (30) foot cedar poles may be harvested as poles or sawlogs at the purchaser's discretion unless such trees are designated reserve. If the purchaser elects to manufacture cedar poles as sawlogs, the bid values of cedar poles and cedar sawlog material shall be weighted by volume to determine the selling value for all cedar sawlogs.(5-8-09)

025. POLE SPECIFICATOINS.

Poles will conform to current ANSI Specifications and dimensions for wood poles unless agreed otherwise by contract. (5-8-09)

026. ANNUAL SALES PLAN.

The Department will prepare an annual sales plan which will describe the timber sales to be offered for sale during the forthcoming fiscal year. The plan will be based on recommended annual harvest volumes utilizing inventory

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data, local stand conditions, special management problems, and economic factors. The plan will be presented to the Board for approval annually and upon approval made available to all interested parties. The plan may be altered to respond to changing market conditions or to expedite the sale of damaged or insect-infested forest products. Each individual timber sale will be submitted to the Board for approval prior to advertisement. (5-8-09)

031. TIMBER SALE AUCTIONS.

01. Requirements. Timber, Salvage, and Delivered Products sales shall be sold at public auction. ()

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The following conclusions were reached upon completion of the proposed rulemaking process:

The Department and the Cedar Pole Industry were unable to reach a consensus on replacement rule language for the existing Cedar Pole Rules. To meet the Department's Fiduciary obligations to maximize long term financial returns to the endowment beneficiaries, reduce possible negative environmental impacts, and to provide a less restrictive management regime to accomplish silvicultural objectives, the decision was made to rescind sections 024 and 025 of the rule. At its November 15th meeting the Idaho Board of Land Commissioners voted unanimously to adopt the Department's recommendation.